

TOWNSHIP OF COLDWATER
(BRANCH)
FINANCIAL STATEMENTS

MARCH 31, 2004

AUDITING PROCEDURES REPORT

Issued under P.A. 2 of 1968, as amended. Filing is mandatory.

Local Government Type <input type="checkbox"/> City <input checked="" type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Government Name TOWNSHIP OF COLDWATER		County BRANCH
Audit Date MARCH 31, 2004	Opinion Date MAY 24, 2004	Date Accountant Report Submitted to State: JULY 9, 2004		

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

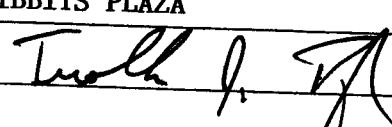
We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- ☐ yes ☒ no 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ yes ☒ no 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☐ yes ☒ no 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ yes ☒ no 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ yes ☒ no 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ yes ☒ no 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ yes ☒ no 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ yes ☒ no 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ yes ☒ no 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

We have enclosed the following:

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.	X		
Reports on individual federal financial assistance programs (program audits).			X
Single Audit Reports (ASLGU).			X

Certified Public Accountant (Firm Name) RUMSEY & WATKINS, P.C.			
Street Address 20 TIBBITS PLAZA	City COLDWATER	State MI	ZIP 49036
Accountant Signature 			

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Rumsey & Watkins, P.C.

Certified Public Accountants and Business Advisors

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Phone (517) 279-7931 • FAX (517) 278-7087

May 24, 2004

To the Supervisor and
Members of the Township Board
Township of Coldwater
Branch County, Michigan

INDEPENDENT AUDITORS' REPORT

We have audited the general purpose financial statements of the Township of Coldwater as of and for the year ended March 31, 2004, as listed in the table of contents. These general purpose financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Township of Coldwater as of March 31, 2004, and the results of its operations and cash flows of its nonexpendable trust fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Rumsey & Watkins, P.C.
RUMSEY & WATKINS, P.C.

TOWNSHIP OF COLDWATER
ALL FUND TYPES AND ACCOUNT GROUPS
COMBINED BALANCE SHEET

	GOVERNMENTAL FUND TYPES	
	General	Capital Projects
ASSETS		
Cash and cash equivalents	\$ 560,704	\$ 165,219
Investments	803,913	-
Taxes receivable	11,374	-
Special assessment receivable	-	58,182
Interest receivable	1,405	-
Due from other governmental units	24,855	-
Due from other funds	67,117	9,775
Property, building and equipment	-	-
Restricted assets:		
Investments	-	-
Total assets	\$1,469,368	\$ 233,176
LIABILITIES AND FUND EQUITY		
LIABILITIES		
Accounts payable	\$ 40,353	\$ -
Accrued payroll	8,063	-
Deferred revenue	-	55,250
Due to City of Coldwater	-	-
Due to other funds	-	23,850
Total liabilities	48,416	79,100
FUND EQUITY		
Investment in general fixed assets	-	-
Fund balance:		
Reserved	-	-
Designated	900,000	-
Undesignated	520,952	154,076
Total fund equity	1,420,952	154,076
Total liabilities and fund equity	\$1,469,368	\$ 233,176

See accompanying notes to financial statements

FIDUCIARY FUND TYPES	ACCOUNT GROUPS	TOTALS (MEMORANDUM ONLY)	
		March 31,	
		2004	2003
Trust and Agency	General Fixed Assets		
\$ 53,278	\$ -	\$ 779,201	\$ 966,682
-	-	803,913	603,913
-	-	11,374	10,445
-	-	58,182	68,255
-	-	1,405	1,238
-	-	24,855	24,273
236	-	77,128	42,957
-	460,022	460,022	329,743
1,200	-	1,200	1,200
<u>\$ 54,714</u>	<u>\$ 460,022</u>	<u>\$2,217,280</u>	<u>\$2,048,706</u>
\$ -	\$ -	\$ 40,353	\$ 7,064
-	-	8,063	7,950
-	-	55,250	66,300
-	-	-	22,675
53,278	-	77,128	42,957
<u>53,278</u>	<u>-</u>	<u>180,794</u>	<u>146,946</u>
-	460,022	460,022	329,743
1,436	-	1,436	1,423
-	-	900,000	900,000
-	-	675,028	670,594
<u>1,436</u>	<u>460,022</u>	<u>2,036,486</u>	<u>1,901,760</u>
<u>\$ 54,714</u>	<u>\$ 460,022</u>	<u>\$2,217,280</u>	<u>\$2,048,706</u>

TOWNSHIP OF COLDWATER

**ALL GOVERNMENTAL FUND TYPES
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
FOR THE YEAR ENDED MARCH 31, 2004**

REVENUES	General	Capital Projects	TOTALS (MEMORANDUM ONLY)	
			Year Ended March 31,	
			2004	2003
Taxes	\$ 85,250	\$ -	\$ 85,250	\$ 83,176
Tax administration fee	23,214	-	23,214	26,593
Special assessments	22,326	11,050	33,376	18,007
Licenses and permits	18,814	1,200	20,014	41,644
State shared revenue	339,850	-	339,850	367,629
Intergovernmental revenue	25,717	-	25,717	25,129
Charges for services	2,553	-	2,553	1,959
Rental income	2,310	-	2,310	2,475
Interest earned	23,925	3,249	27,174	30,475
Reimbursements	-	-	-	208
Other	85	-	85	153
Total revenues	544,044	15,499	559,543	597,448
EXPENDITURES				
General government	337,384	-	337,384	206,513
Public safety	104,857	-	104,857	103,503
Public works	83,615	29,253	112,868	78,084
Total expenditures	525,856	29,253	555,109	388,100
Excess (deficiency) of revenues over expenditures	18,188	(13,754)	4,434	209,348
FUND BALANCE - BEGINNING	1,402,764	167,830	1,570,594	1,361,246
FUND BALANCE - ENDING	\$1,420,952	\$ 154,076	\$1,575,028	\$1,570,594

See accompanying notes to financial statements

TOWNSHIP OF COLDWATER

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE COMPARED TO BUDGET
FOR THE YEAR ENDED MARCH 31, 2004

	Budget	2004 Actual	Over (Under) Budget	2003 Actual
REVENUES				
Taxes	\$ 83,185	\$ 85,250	\$ 2,065	\$ 83,176
Tax administration fee	26,725	23,214	(3,511)	26,593
Special assessments	30,160	22,326	(7,834)	6,957
Licenses and permits	19,000	18,814	(186)	28,444
State shared revenue	350,000	339,850	(10,150)	367,629
Intergovernmental revenue	26,500	25,717	(783)	25,129
Charges for services	2,080	2,553	473	1,959
Rental income	2,500	2,310	(190)	2,475
Interest earned	22,400	23,925	1,525	26,728
Reimbursements	500	-	(500)	208
Other	2,000	85	(1,915)	153
Total revenues	565,050	544,044	(21,006)	569,451
EXPENDITURES				
General government	388,424	337,384	(51,040)	206,513
Public safety	109,800	104,857	(4,943)	103,503
Public works	112,720	83,615	(29,105)	77,636
Total expenditures	610,944	525,856	(85,088)	387,652
Excess (deficiency) of revenues over expenditures	(45,894)	18,188	64,082	181,799
FUND BALANCE - BEGINNING	-	1,402,764	1,402,764	1,220,965
FUND BALANCE - ENDING	\$ (45,894)	\$1,420,952	\$1,466,846	\$1,402,764

See accompanying notes to financial statements

TOWNSHIP OF COLDWATER
CEMETERY PERPETUAL CARE FUND
STATEMENTS OF NET EARNINGS AND FUND BALANCE

	Year Ended March 31,	
	2004	2003
OPERATING REVENUES	\$ -	\$ -
OPERATING EXPENSES		
Flowers	23	50
EARNINGS (LOSS) FROM OPERATIONS	(23)	(50)
NONOPERATING INCOME		
Interest income	36	51
NET EARNINGS	13	1
RESERVED FUND BALANCE - BEGINNING	1,423	1,422
RESERVED FUND BALANCE - ENDING	\$ 1,436	\$ 1,423

See accompanying notes to financial statements

TOWNSHIP OF COLDWATER
CEMETERY PERPETUAL CARE FUND
STATEMENTS OF CASH FLOWS

	Year Ended March 31,	
	2004	2003
CASH FLOWS FROM OPERATING ACTIVITIES		
Earnings (loss) from operations	\$ (23)	\$ (50)
Adjustments to reconcile earnings (loss) from operations to net cash provided (used) by operating activities:		
Decrease (increase) in due from other funds	(13)	(1)
Net cash provided (used) by operating activities	(36)	(51)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income received	36	51
NET INCREASE IN CASH AND CASH EQUIVALENTS	-	-
CASH AND CASH EQUIVALENTS - BEGINNING	-	-
CASH AND CASH EQUIVALENTS - ENDING	\$ -	\$ -

See accompanying notes to financial statements

TOWNSHIP OF COLDWATER

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2004

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Township of Coldwater conform to generally accepted accounting principles of the United States of America as applicable to governmental units. The following is a summary of the significant policies.

REPORTING ENTITY:

The Township operates under an elected board of five members and provides primarily fire protection and road maintenance and construction to the local residents. The general purpose financial statements have been prepared in accordance with criteria established by the Governmental Accounting Standards Board for determining the various governmental organizations to be included in the reporting entity. The criteria includes oversight responsibility, scope of public service and special financing relationships. There were no component units considered, under this criteria, to be included in these general purpose financial statements.

BASIS OF PRESENTATION:

The financial activities of the Township of Coldwater are recorded in separate funds and account groups:

GOVERNMENTAL FUNDS

General Fund is the operating fund of the Township. It is used to account for all the Township's financial transactions not required to be accounted for in another fund.

Capital Projects Funds are used to account for resources specifically designated for the acquisition and construction of facilities and for major capital repairs and improvements of facilities.

FIDUCIARY FUNDS

Cemetery Perpetual Care, Agency, and Tax Collection Funds are used to account for assets held in trust or as an agent for others.

ACCOUNT GROUPS

General Fixed Assets Group of Accounts is used to account for all fixed assets of the Township utilized in its general operations.

TOWNSHIP OF COLDWATER

NOTES TO FINANCIAL STATEMENTS - Continued
FOR THE YEAR ENDED MARCH 31, 2004

NOTE A - SIGNIFICANT ACCOUNTING POLICIES - Continued

BASIS OF ACCOUNTING:

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets.

The modified accrual basis of accounting is used by all funds except for the Cemetery Perpetual Care Fund. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, if measurable. The Cemetery Perpetual Care Fund uses the accrual basis of accounting.

BASIS OF BUDGETING:

The Township adopted their annual budget based on the modified accrual method of accounting. Expenditures were estimated by functional level. The Township did not include a beginning fund balance within the approved budget. Once a budget is approved, it can be amended at the functional level. Amendments are presented to the Board at their regular meetings. Each amendment must have Board approval. Such amendments are reflected in the official minutes of the Board, and are not made after fiscal year end as dictated by law. Revisions to the budget were made during the year.

ENCUMBRANCE ACCOUNTING:

Encumbrances are not liabilities and, therefore, are not recorded as expenditures until receipt of material or service. For budgetary purposes, appropriations lapse at fiscal year end and outstanding encumbrances at year end are reappropriated in the next year. No reservation of fund balance equal to outstanding encumbrances at year end is required at March 31, 2004.

TOWNSHIP OF COLDWATER

NOTES TO FINANCIAL STATEMENTS - Continued
FOR THE YEAR ENDED MARCH 31, 2004

NOTE A - SIGNIFICANT ACCOUNTING POLICIES - Continued

General fixed assets are recorded as expenditures in the General or Capital Projects Funds at the time of purchase. Such assets are capitalized at cost in the General Fixed Assets Group of Accounts. Infrastructure general fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems, are not capitalized. No depreciation has been provided for general fixed assets.

For purposes of the statements of cash flows, management considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

The Township uses estimates and assumptions in preparing the general purpose financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenditures.

Total columns on the general purpose financial statements are captioned memorandum only to indicate that they are presented only to facilitate financial analysis. Data in these columns does not present financial position, results of operations, or cash flows in conformity with generally accepted accounting principles of the United States of America. Neither is such data comparable to a consolidation as interfund eliminations have not been made in the aggregation of this data.

TOWNSHIP OF COLDWATER

NOTES TO FINANCIAL STATEMENTS - Continued
FOR THE YEAR ENDED MARCH 31, 2004

NOTE B - CASH AND INVESTMENTS

Michigan Compiled Laws, Section 129.91, authorizes the Township to deposit and invest in the accounts of Federally insured banks, credit unions, and savings and loan associations; bonds, securities and other direct obligations of the United States, or any agency or instrumentality of the United States in which the principal and interest is fully guaranteed by the United States, including securities issued or guaranteed by the Government National Mortgage Association; United States government or Federal agency obligation repurchase agreements; bankers' acceptance of United States banks; commercial paper rated by two standard rating agencies within the three highest classifications, which mature not more than 270 days after the date of purchase, and which involve no more than 50 percent of any one fund; and mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan. Michigan law prohibits security in the form of collateral, surety bonds, or other forms for the deposit of public money. Attorney General's Opinion No. 6168 states that public funds may not be deposited in financial institutions located in states other than Michigan.

The Township has designated financial institutions for the deposit of Township funds and has authorized the investment in certificates of deposit. The accounts maintained are checking, savings and certificates of deposit and are in accordance with statutory authority. The interest rates of the checking and savings accounts are at variable daily rates. The certificates of deposit are currently earning interest at rates of 1.05% to 3.35%.

Investments consist of certificate of deposits with an original maturity date of greater than three months. The investments are carried at cost which approximates market value.

At March 31, 2004, the carrying amount of the Township's deposits was \$1,584,314 and the bank balance was \$1,585,634. The differences between the balances are the result of deposits in transit and checks issued by the Township but not yet presented for payment. The risk exposure of the bank balance at March 31, 2004 is as follows:

Insured	\$ 400,000
Uninsured	1,185,634
Total cash and investments and restricted investments	<u>\$1,585,634</u>

TOWNSHIP OF COLDWATER

NOTES TO FINANCIAL STATEMENTS - Continued
FOR THE YEAR ENDED MARCH 31, 2004

NOTE C - TAXES RECEIVABLE

The Township is a general law township and levies property taxes on December 1 of each year. They are collected by the Township's treasurer from December 1 to February 28.

Taxes receivable represent real property taxes and administrative fees returned delinquent to the County of Branch. The real property taxes and administrative fees in the amount of \$11,374 will be paid to the Township by the County of Branch in April, 2004.

NOTE D - SPECIAL ASSESSMENT RECEIVABLE

A special assessment district has been established for water and sewer improvements. The Capital Projects Fund of the Township is financing the construction and assessing the particular residents their cost of the improvements over a ten year period plus 6% interest on the outstanding balance.

In accordance with GASB #6, the special assessment receivable has been recorded in the Capital Projects Fund. The special assessment receivable, at March 31, 2004, can be summarized as follows:

Delinquent	\$ 2,932
Current	11,050
Deferred	44,200
Total	<u>\$ 58,182</u>

The current and deferred special assessment receivable will be levied during 2004 and subsequent years and, therefore, is recorded as deferred revenue until levied and realizable.

TOWNSHIP OF COLDWATER

NOTES TO FINANCIAL STATEMENTS - Continued
FOR THE YEAR ENDED MARCH 31, 2004

NOTE E - DUE FROM/TO OTHER FUNDS

The due from/to other funds, at March 31, 2004, can be summarized as follows:

General Fund:

Due from Tax Collection Fund	\$ 43,267
Due from Capital Projects Fund	23,850

Total General Fund	<u>67,117</u>
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Capital Projects Fund:

Due from Tax Collection Fund	9,775
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Cemetery Perpetual Care Fund:

Due from Agency Fund	236
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Total due from/to other funds	<u>\$ 77,128</u>
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NOTE F - PROPERTY, BUILDING AND EQUIPMENT

Changes in property, building and equipment are as follows:

	Balance April 1, 2003	Additions	Deletions	Balance March 31, 2004
Land	\$ 15,000	\$ 40,000	\$ -	\$ 55,000
Land improvements	15,389	8,459	-	23,848
Building and improvements	129,846	73,725	-	203,571
Furniture and fixtures	72,284	1,585	-	73,869
Equipment	97,224	6,510	-	103,734
Total	<u>\$ 329,743</u>	<u>\$ 130,279</u>	<u>\$ -</u>	<u>\$ 460,022</u>

TOWNSHIP OF COLDWATER

NOTES TO FINANCIAL STATEMENTS - Continued
FOR THE YEAR ENDED MARCH 31, 2004

NOTE G - DESIGNATION OF FUND BALANCE

The Township board has designated \$900,000 of their general fund balance for future expenses as follows:

Fire expenses	\$ 100,000
Waste water expenses	300,000
Land purchases	200,000
Water tower	300,000
Total designated fund balance	<u>\$ 900,000</u>

NOTE H - PENSION PLAN

The Township maintains a defined contribution pension plan for all eligible employees. The Township employees must have attained 21 years of age with no minimum service requirements to become fully vested. No employee contributions are required, but can be made voluntarily.

The total covered payroll under the pension plan for 2004 amounted to \$83,692 compared to \$105,337 total 2004 payroll.

The Township is required to make annual contributions to the plan based on percentages at different compensation levels. The required contribution made to the plan for the year ended March 31, 2004 amounted to \$12,593.

NOTE I - COMMITMENTS

The Township has entered into an agreement with the City of Coldwater to provide fire protection at an annual expense that varies from year to year. The agreement will continue through June 30, 2005, unless either party gives a twelve month advance notice to terminate the contract.

NOTE J - RISK MANAGEMENT

The Township of Coldwater is exposed to various risks of loss related to property loss, torts, errors and omissions and employee injuries. The Township has purchased commercial insurance for the coverage of the above discussed events.

Rumsey & Watkins, P.C.

Certified Public Accountants and Business Advisors

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Phone (517) 279-7931 • FAX (517) 278-7087

May 24, 2004

To the Supervisor and
Members of the Township Board
Township of Coldwater
Branch County, Michigan

INDEPENDENT AUDITORS' REPORT ON ADDITIONAL INFORMATION

In connection with our audit of the general purpose financial statements of the Township of Coldwater for the year ended March 31, 2004, the accompanying additional information, as listed in the table of contents, is submitted as additional analytical data. Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The additional information is presented for purposes of additional analysis and is not a required part of the general purpose financial statements. Such additional information has been subjected to the procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

Rumsey & Watkins, P.C.
RUMSEY & WATKINS, P.C.

TOWNSHIP OF COLDWATER
 ADDITIONAL INFORMATION
 GENERAL FUND
 STATEMENT OF EXPENDITURES COMPARED TO BUDGET
 FOR THE YEAR ENDED MARCH 31, 2004

	Budget	2004 Actual	Over (Under) Budget	2003 Actual
GENERAL GOVERNMENT				
TOWNSHIP BOARD				
Trustees and Planning Board salaries	\$	\$ 11,080	\$	\$ 10,200
Custodian and grounds wages		780		660
Office manager wages		26,112		9,075
Employee benefits		6,797		-
Payroll taxes		797		907
Pension		12,593		9,984
Office supplies		3,821		2,712
Repair and maintenance		7,213		10,557
Professional fees		11,917		23,759
Consultant fees		100		257
Pension administration		954		629
Travel		5,197		1,728
Telephone		1,640		1,503
Printing and publication		772		714
Community projects		5,000		9,486
Insurance and bonds		14,881		13,656
Utilities		4,891		4,441
Special assessments		4,915		4,915
Miscellaneous		457		582
Dues		1,916		1,793
Correction of prior years taxes		91		71
Capital outlay		130,279		3,044
Total Township Board expenditures	274,840	252,203	(22,637)	110,673
SUPERVISOR				
Salary		15,840		15,840
Board of review wages		900		1,020
Payroll taxes		299		257
Supplies		749		926
Travel		2,210		1,049
Repair and maintenance		105		47
Dues		-		55
Miscellaneous		113		70
Capital outlay		-		467
Total Supervisor expenditures	29,277	20,216	(9,061)	19,731

TOWNSHIP OF COLDWATER

ADDITIONAL INFORMATION

GENERAL FUND

STATEMENT OF EXPENDITURES COMPARED TO BUDGET - Continued
FOR THE YEAR ENDED MARCH 31, 2004

	Budget	2004 Actual	Over (Under) Budget	2003 Actual
GENERAL GOVERNMENT - Continued				
ELECTIONS				
Salaries		-		2,181
Supplies		475		2,542
Repair and maintenance		500		-
Travel		-		67
Printing and publication		-		365
Total Elections expenditures	6,700	975	(5,725)	5,155
ASSESSOR				
Salary		1,200		1,200
Payroll taxes		92		92
Assessing fees		12,000		12,000
Total Assessor expenditures	14,300	13,292	(1,008)	13,292
CLERK				
Salary		15,840		15,840
Payroll taxes		230		230
Supplies		812		1,758
Repair and maintenance		37		117
Travel		434		1,680
Capital outlay		-		3,100
Total Clerk expenditures	21,496	17,353	(4,143)	22,725

TOWNSHIP OF COLDWATER

ADDITIONAL INFORMATION

GENERAL FUND

STATEMENT OF EXPENDITURES COMPARED TO BUDGET - Continued
FOR THE YEAR ENDED MARCH 31, 2004

	Budget	2004 Actual	Over (Under) Budget	2003 Actual
GENERAL GOVERNMENT - Continued				
TREASURER				
Salary		15,840		15,840
Payroll taxes		230		230
Supplies		429		2,409
Repair and maintenance		37		147
Tax preparation		4,750		4,827
Travel		4,350		3,246
Insurance and bonds		-		15
Dues		148		-
Miscellaneous		6		-
Capital outlay		-		3,102
Total Treasurer expenditures	33,771	25,790	(7,981)	29,816
CEMETERY				
Salaries		1,800		1,800
Payroll taxes		138		138
Supplies		65		129
Repair and maintenance		5,552		3,054
Total Cemetery expenditures	8,040	7,555	(485)	5,121
Total General Govern- ment expenditures	388,424	337,384	(51,040)	206,513
PUBLIC SAFETY				
FIRE PROTECTION				
Contracted services	94,200	93,040	(1,160)	90,794

TOWNSHIP OF COLDWATER

ADDITIONAL INFORMATION

GENERAL FUND

STATEMENT OF EXPENDITURES COMPARED TO BUDGET - Continued
FOR THE YEAR ENDED MARCH 31, 2004

	Budget	2004 Actual	Over (Under) Budget	2003 Actual
PUBLIC SAFETY -				
Continued				
ZONING AND BUILDING				
COMMISSIONER				
Salaries		8,745		9,560
Payroll taxes		163		370
Office supplies		305		19
Travel		1,538		2,457
Printing and publishing		1,066		303
Total Zoning and Building Commis- sioner expenditures	15,600	11,817	(3,783)	12,709
Total Public Safety expenditures	109,800	104,857	(4,943)	103,503
PUBLIC WORKS				
Salaries		7,200		7,200
Payroll taxes		551		551
Community projects		-		8,300
Road maintenance		58,441		39,127
Special assessments		9,331		17,410
Fire hydrant rental		3,755		3,634
Drains		4,337		1,414
Total Public Works expenditures	112,720	83,615	(29,105)	77,636
Total expenditures	\$ 610,944	\$ 525,856	\$ (85,088)	\$ 387,652

TOWNSHIP OF COLDWATER
 ADDITIONAL INFORMATION
 CAPITAL PROJECTS FUND
 STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE

	Year Ended March 31,	
	2004	2003
REVENUES		
Special assessments	\$ 11,050	\$ 11,050
Licences and permits	1,200	13,200
Interest earned	3,249	3,747
Total revenues	15,499	27,997
EXPENDITURES		
Construction	23,850	-
Consultant fees	5,403	420
Bank charges	-	28
Total expenditures	29,253	448
Excess (deficiency) of revenues over expenditures	(13,754)	27,549
FUND BALANCE - BEGINNING	167,830	140,281
FUND BALANCE - ENDING	\$ 154,076	\$ 167,830

TOWNSHIP OF COLDWATER
 ADDITIONAL INFORMATION
 FIDUCIARY FUND TYPES
 COMBINING BALANCE SHEET
 MARCH 31, 2004

ASSETS

	Agency	Tax Collection	Cemetery Perpetual Care	Total
Cash	\$ 236	\$ 53,042	\$ -	\$ 53,278
Due from other funds	-	-	236	236
Restricted assets:				
Investments	-	-	1,200	1,200
Total assets	\$ 236	\$ 53,042	\$ 1,436	\$ 54,714

LIABILITIES AND FUND BALANCE

LIABILITIES

Due to other funds	\$ 236	\$ 53,042	\$ -	\$ 53,278
RESERVED FUND BALANCE	-	-	1,436	1,436
Total liabilities and fund balance	\$ 236	\$ 53,042	\$ 1,436	\$ 54,714

TOWNSHIP OF COLDWATER
 ADDITIONAL INFORMATION
 AGENCY FUND
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 FOR THE YEAR ENDED MARCH 31, 2004

	Balance April 1, 2003	Receipts	Disburse- ments	Balance March 31, 2004
ASSETS				
Cash	\$ 223	\$ 5,040	\$ 5,027	\$ 236
LIABILITIES				
Due to other funds	\$ 223	\$ 870	\$ 857	\$ 236
Due to Branch County:				
County operations	-	834	834	-
State education	-	3,336	3,336	-
Total liabilities	\$ 223	\$ 5,040	\$ 5,027	\$ 236

TOWNSHIP OF COLDWATER
 ADDITIONAL INFORMATION
 TAX COLLECTION FUND
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 FOR THE YEAR ENDED MARCH 31, 2004

	Balance April 1, 2003	Receipts	Disburse- ments	Balance March 31, 2004
ASSETS				
Cash	\$ 42,090	\$2,100,604	\$2,089,652	\$ 53,042
LIABILITIES				
Due to other funds	\$ 42,734	\$ 129,974	\$ 119,666	\$ 53,042
Due to Schools	(553)	672,409	671,856	-
Due to Branch County:				
County operations	-	644,903	644,903	-
Intermediate Schools	-	651,390	651,390	-
Due to State of Michigan	(91)	91	-	-
Refunds to taxpayers	-	1,837	1,837	-
Total liabilities	\$ 42,090	\$2,100,604	\$2,089,652	\$ 53,042

Rumsey & Watkins, P.C.

Certified Public Accountants and Business Advisors

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May 24, 2004

To the Supervisor and
Members of the Township Board
Township of Coldwater
Branch County, Michigan

During our audit as of and for the year ended March 31, 2004, we noted the following items which we would like to comment on further:

GOVERNMENTAL ACCOUNTING STANDARDS

The Governmental Accounting Standards Board has issued Statement No. 34 Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments. Governments with less than \$10 million in revenues will apply this Statement for periods beginning after June 15, 2003. This Statement will change the financial statement presentation for the Board and require written management discussions to be included within the financial statements. As we discussed in prior management letters, this issue appeared to be in the distant future, however, as the date indicates the Board must implement the new financial statement requirements for the next audit.

The Township must first decide whether they want to comply with the requirements of GASB 34. Many local governmental units have expressed dissatisfaction with GASB 34, in that they feel the cost of implementing the statement may exceed the benefit of the additional information. The Local Audit and Finance Division of the Treasury Department of the State of Michigan is responsible for overseeing compliance. The Local Audit Division has determined that omission of various items required by GASB 34 will not result in any sanctions or in a request for remediation. The only issue of concern is the auditor's opinion may need to be modified for departures from generally accepted accounting principles, and would result in an adverse opinion. Based on the current situation of the Township, we feel the effort and additional cost required could exceed the value of the additional information generated and would provide little, if any, benefit. This will need to be an item discussed at the board level. After reviewing this letter, we would be glad to discuss any of these matters further with you and assist in the implementation.

Rumsey & Watkins, P.C.

RUMSEY & WATKINS, P.C.